

GENTEX CORP. NDQ-GNTX

RECENT PRICE **27.05** P/E RATIO **21.8** (Trailing: 22.9 Median: 16.0) RELATIVE P/E RATIO **1.02** DIV'D YLD **1.8%** **VALUE LINE**

TIMELINESS 2 Raised 9/11/20
SAFETY 3 New 7/10/98
TECHNICAL 3 Raised 9/11/20
BETA .95 (1.00 = Market)

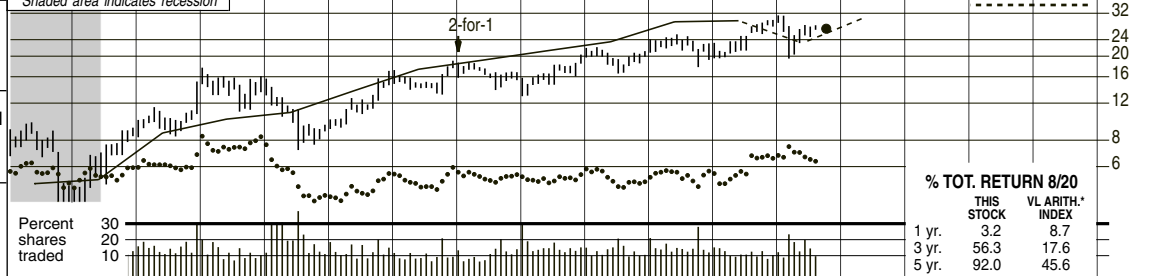
High: 9.2 15.2 17.7 15.7 17.1 19.1 18.8 20.4 22.1 25.4 29.7 31.3
 Low: 3.5 8.3 10.9 7.2 9.1 13.2 13.8 12.9 16.6 17.8 19.5 19.5

LEGENDS
 — 14.0 x "Cash Flow" p sh
 ... Relative Price Strength
 2-for-1 split 1/15
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$21-\$39 \$30 (10%)

2023-25 PROJECTIONS
 High Price Gain Ann'l Total
 Low 50 (+85%) 18%
 35 (+30%) 9%

Institutional Decisions
 4Q2019 1Q2020 2Q2020
 to Buy 225 199 225
 to Sell 220 266 230
 Hld's(000) 211368 205299 204144



2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	© VALUE LINE PUB. LLC	23-25
1.62	1.72	2.01	2.26	2.27	1.97	2.87	3.55	3.84	4.02	4.66	5.30	5.84	6.40	7.07	7.40	6.60	7.90	Sales per sh	9.55
.43	.43	.48	.53	.36	.37	.62	.72	.77	.98	1.24	1.37	1.52	1.67	2.08	2.11	1.65	2.20	"Cash Flow" per sh	2.85
.36	.35	.37	.43	.22	.24	.49	.57	.60	.78	.98	1.08	1.19	1.28	1.62	1.68	1.20	1.70	Earnings per sh ^A	2.30
.16	.18	.19	.20	.22	.22	.22	.24	.26	.28	.31	.34	.36	.39	.44	.46	.48	.52	Div'ds Decl'd per sh ^B	.68
.10	.17	.17	.19	.17	.08	.16	.42	.41	.19	.25	.34	.42	.37	.33	.34	.25	.35	Cap'l Spending per sh	.40
2.51	2.70	2.47	2.79	2.54	2.66	3.14	3.56	3.92	4.56	5.32	5.91	6.64	7.31	7.18	7.71	7.45	8.20	Book Value per sh	10.00
311.47	312.09	284.95	289.51	275.27	276.68	284.58	288.14	286.15	291.16	295.25	291.34	287.74	280.28	259.33	251.28	242.00	238.00	Common Shs Outst'g ^C	230.00
26.2	25.1	21.4	22.0	33.0	27.2	20.7	25.2	17.9	15.5	15.7	15.5	13.8	15.3	13.9	14.7	10.0	11.0	Avg Ann'l P/E Ratio	18.0
1.38	1.34	1.16	1.17	1.99	1.81	1.32	1.58	1.14	.87	.83	.78	.72	.77	.75	.79	.75	.79	Relative P/E Ratio	1.00
1.6%	2.0%	2.4%	2.1%	3.0%	3.4%	2.2%	1.7%	2.4%	2.3%	2.0%	2.0%	2.2%	2.0%	1.9%	1.9%	1.9%	1.9%	Avg Ann'l Div'd Yield	1.6%

CAPITAL STRUCTURE as of 6/30/20
 Total Debt \$75.0 mill. Due in 5 Yrs \$75.0 mill.
 LT Debt Nil LT Interest Nil

Leases, Uncapitalized \$7. mill.

No Defined Benefit Pension Plan

Pfd Stock None
 Common Stock 245,779,601 shs.
 as of 7/24/20

MARKET CAP: \$6.6 billion (Large Cap)

CURRENT POSITION (SMILL.)	2018	2019	6/30/20
Cash Assets	217.0	296.3	343.8
Receivables	213.5	235.4	170.6
Inventory (FIFO)	225.3	248.9	259.7
Other	195.1	169.7	85.2
Current Assets	850.9	950.3	859.3
Accts Payable	92.8	97.6	60.2
Debt Due	--	--	75.0
Other	76.4	74.2	82.4
Current Liab.	169.2	171.8	217.6

ANNUAL RATES of change (per sh)	Past 10 Yrs	Past 5 Yrs	Est'd '17-'19 to '23-'25
Sales	12.5%	11.0%	5.5%
"Cash Flow"	16.5%	14.5%	6.5%
Earnings	18.0%	14.5%	7.0%
Dividends	7.5%	8.5%	8.0%
Book Value	11.0%	10.0%	5.0%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	453.5	443.2	438.6	459.6	1794.9
2018	465.4	455.0	460.3	453.4	1834.1
2019	468.6	468.7	477.8	443.8	1858.9
2020	453.8	229.9	450	466.3	1600
2021	460	470	470	480	1880

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2017	.33	.31	.31	.33	1.28
2018	.40	.40	.41	.41	1.62
2019	.40	.45	.44	.39	1.68
2020	.36	.02	.40	.42	1.20
2021	.40	.40	.45	.45	1.70

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2016	.085	.09	.09	.09	.355
2017	.09	.10	.10	.10	.39
2018	.11	.11	.11	.11	.44
2019	.11	.115	.115	.115	.455
2020	.115	.12	.12		

BUSINESS: Gentex Corporation manufactures automatic-dimming automotive rearview mirrors and electronics for the automotive industry. These mirrors use sensors to detect glare from trailing approaching vehicles and darken to protect the driver's vision. It also makes dimmable aircraft windows for the aviation industry. Sells to most of the major automakers (has 3 customers who each ac-

Gentex reported weak second-quarter results. Sales of \$230 million decreased more than 50% compared to the previous-year figure. The decline was largely due to a significant drop in light-vehicle production, which fell 69% and 62%, respectively, in North America and Europe. COVID-19 created extended shutdowns in the automotive industry for much of the period. All told, total auto-dimming mirror shipments in the June quarter plummeted 51%, to 5,260. Margins were pressured by the lower volumes, along with manufacturing inefficiencies caused by coronavirus-related plant shutdowns. Annual customer price reductions, along with higher SG&A and R&D expenses, also pressured margins. This caused share earnings of \$0.02 to come in well below the previous-year tally of \$0.45.

However, we expect improving results in the second half of the year. Management believes total light-vehicle production will decline 7% in the second half of the year, to 34.5 million units, which would mark a significant improvement compared to the 45% drop in the most recent quarter. Japan and South Korea

counted for 10% or more of 2019 total sales). Also makes commercial fire protection products. Has approximately 5,875 employees. Vanguard owns 9.9% of common stock; BlackRock, 9.7%; officers and directors, less than 1.0% (3/20 proxy). Pres. and CEO: Steve Downing, Inc.: MI. Address: 600 N. Centennial Street, Zeeland, MI 49464. Telephone: 616-772-1800. Internet: www.gentex.com.

ought to see a 15% drop, while North America may well only post a slight decline of roughly 1%. All told, management still believes full-year total light-vehicle production will decrease 20%, to around 60.5 million units. As a result, we are maintaining our 2020 top- and bottom-line estimates of \$1.6 billion and \$1.20 per share, respectively.

We anticipate stronger results in 2021. Assuming mitigation efforts to combat COVID-19 are largely successful, we think Gentex will be able to return to a more-normal business environment. Demand for the company's core auto-dimming mirror units should rebound with the anticipated recovery in the light-vehicle market. Recent cost-reduction initiatives, along with ongoing share repurchases, should also provide a boost to the bottom line.

The Timeliness rank of Gentex shares has been raised by a notch, to 2 (Above Average). The stock, which has a dividend yield moderately below the Value Line median, offers about-average price appreciation potential over the 3- to 5-year haul.

Iason Dalavagas September 11, 2020

(A) Diluted earnings. Quarterly earnings may not sum due to rounding. Next earnings report due in late October.	April, July, and October.	Company's Financial Strength	B++
(B) Payments typically made in late January.	(C) In millions, adjusted for stock splits.	Stock's Price Stability	85
		Price Growth Persistence	50
		Earnings Predictability	80